

Fault Line

Are we living and working on the edge of an ethical fault line? Is unethical behaviour deeply ingrained in us – or can something be done to avert an ethical earthquake resulting in an economic tsunami?

Words KATHY MALHERBE

DION FORSTER, WHO HOLDS A PHD IN Cognitive Neuroscience and specialises in ethics development, sustainable business growth and coaching for sustainable success, has a fascinating explanation for human behaviour: 'Decision-making largely takes place in the very primitive – or reptilian – region of the brain, from where all survival instincts emanate.'

He believes that, when you walk into a room full of people, the reptilian brain goes primal. The rapid thought process is: 'Can I eat it or will it eat me?' (Survival). 'Can I mate with it or will it mate with me?' (Procreation and continuation of the species). Then the recognition loop kicks in: 'If I can't eat it, and I can't mate with it, do I recognise it?'

What sets our brain apart from that of a fish or a dog is the desire to go past mere survival to efficient survival; and that can translate into excesses, avarice and an ethical lassitude. So our morals and values can be overridden at the touch of our reptilian button. The primal could set off this thought process: 'If I manage to re-route some of the funds in the company to my account, I'll have more disposable income, with which I'll be able to buy designer clothes and a flashy car. I will, perhaps, then be more desirable to a mate...' It all comes down to basic, basic instinct.

However, most people still believe that, faced with an ethical conflict, they'd take the moral high ground rather than respond to a natural urge. Forster thinks differently. He says our brain lies to us and we have learnt what he calls 'predictably irrational' behaviour. He sketches a scenario to prove his point: Suppose you're at work, your partner phones and says your child needs a red pencil for a project due the following day. 'Can you

bring one home?' your partner asks. Would you feel a twinge of conscience about taking a pencil from work? In a survey, 30 percent felt no remorse.

Forster takes it further. Suppose you go to the cupboard and there aren't any red pencils. Your child is in tears. You know you can buy a pencil on the way home, but you don't have any cash. The petty cash box is in the cupboard and is open. Would you 'borrow' 70c to buy the pencil? Ninety percent of people surveyed said they couldn't. 'We've been socialised to think that taking money is theft,' he says. 'Stealing pencils is what a good parent would probably do, but they don't steal money. We call it "predictably irrational" behaviour.'

Forster spends a lot of time helping leaders in business, education, politics, government and religious institutions to understand that their instincts, their 'predictably irrational' choices, are short-sighted and destructive. 'I believe we need more people who have the courage, wisdom and guidance to search for the wisest ways of doing business, leading political systems and supporting moral development.'

Can one be 'slightly unethical?' Is it okay to take a 'duvet day', copy a music CD or park in a bay for the disabled for a few minutes? Albert Einstein answered that rather pithily: 'Relativity applies to physics not ethics.'

The question around the moral fibre of big business is certainly not new either. As far back as 1906, Ambrose Bierce defined *corporation* as 'An ingenious device for obtaining profit without individual responsibility' – in his satirical reference book, *The Devil's Dictionary*.

But is unethical behaviour becoming more widespread? Cynthia Schoeman, MD of Ethics

Monitoring and Management Services and a key player in customised consulting and training to improve ethics in organisations, has coined the term 'ethical fault line'.

She believes that ongoing incidents of unethical behaviour in the public and private sector in South Africa, as well as in other countries, has made ethics an 'in your face' issue.

Schoeman believes that ethical breaches have eroded corporate trust with far-reaching consequences. It's not just the feel-good factor about having good principles – workplace ethics have become non-negotiable. Organisations deemed to have a high ethical status will, she adds, generate greater confidence among their investors, earn customer loyalty, lubricate access to capital and attract top talent – all of which will improve competitive advantage. That's a challenge to the classic one-liner attributed to Milton Friedman that 'the business of business is business'. In place of this single bottom line is the triple bottom line: economic, social and environmental.

Forster says a lack of spiritual intelligence – or having a low spiritual quotient (SQ) – is largely responsible for what can be termed amoral behaviour. He illustrates the difference between 'intellectual quotient' (IQ) and 'emotional quotient' (EQ) by using a game of chess as an analogy.

IQ: This is the person who knows the game inside out. An MBA graduate would have great business IQ. He knows every move and is technically skilled.

EQ: This person not only knows the game's moves (or enough of them to play), but also how to read the environment and their opponents, and often wins by playing 'around' the rules.

People with a high SQ, however, are wise enough to know that there are times when the game doesn't matter. For example, if you're playing chess with your six-year-old daughter and have a high SQ, you wouldn't clear her pieces off the board in two minutes and gleefully announce: 'Checkmate!'

Forster says, 'People with a high SQ can transcend the rules that bind them. Nelson Mandela, for example, rose above the apartheid laws. As a lawyer, he understood the law well (IQ), he was also very adept at understanding how to work in spite of the law (EQ), but he chose a different path – by introducing empathy and compassion and rallying people behind the cause of living towards a new reality. 'Such SQ is the basis for having strong ethics,' he says.

Schoeman feels that a fourth dimension should be added to the three quotients – a Work Ethics Quotient (WEQ). 'In short,' she says, 'it involves moral choices: right/wrong, good/bad.' She describes it as 'obedience to the unenforceable' – your conscience or personal moral values will be the primary guideline. It's similar to what Forster calls 'altruistic hedonism' – making sure you look out for the greater good of others while also taking care of yourself.

Empathy's the handbrake when you're accelerating into instant gratification and selfish behaviour; so is self-mastery and restraint. This doesn't mean a hair shirt and masochistic self-deprivation, but balancing the rewards against the effect on others. The cost of ethical failure to victims is huge, adding to public outrage. Plundered pension schemes, the concept of fracking in the Karoo and oceanic oil spills come to mind. So, it's not just about 'Giving a Damn, Making a Difference' – the slogan for Schoeman's company, Ethics Monitoring and Management Services. It's about public pressure too.

Both Schoeman and Forster are emphatic that an unethical business is not sustainable. Enron and Tyco International in the US are perfect examples of ethical myopia caused by the desire for short-term gain. They may have reported huge profits and returns for shareholders in the last quarter of their existence, but their business practices were short-sighted and unethical, and disaster followed quickly. 'Think of ethical behaviour as a good farmer knowing that for long-term sustainability, he must leave land fallow for a period of time,' says Forster.

So, is there a global definition for ethical behaviour? Schoeman says that workplace ethics amounts to doing what is good and right for

the company and for stakeholders affected by the company's operations. This is in line with the founder of the Institute for Global Ethics Dr Rushworth Kidder's research (1995), which identified a common set of five principal values: truth/honesty, respect, responsibility, fairness and care/compassion.

Surely that's not such a big ask? Patently, it is. And that's why Transparency International's 2010 Global Corruption Barometer states that one in four people surveyed worldwide report paying bribes in the last year. The public sector scores abominably in their 2010 Corruption Perception Index. On a scale of 0 to 10, where 0 is highly corrupt and 10 clean as a whistle, only a quarter of the 178 countries surveyed scored above five. Singapore, New Zealand and Denmark came out squeaky clean with a score of 9.3. South Africa had an epic fail at 4.5.

Schoeman maintains that not only internal principles, but also good leadership, are the most powerful influences on ethics. Surely it doesn't help then that many of our public service leaders have CVs that look more like rap sheets, with corruption, nepotism, bribery, bigotry and misappropriation of funds the order of the day? 'Yes,' says Schoeman, 'I think people who would not normally behave ethically can descend to "lowest common denominator" behaviour when they see their leaders – powerful role models who should set and entrench ethical standards – behave unethically.'

A noteworthy difference between private- and public-sector corruption in South Africa is that the former is mostly held accountable for its actions or the actions of the organisation. Public figures often land up being given long periods of paid leave or are transferred to another post.

The public sector is notoriously corrupt in many countries, but just how bad is the ethical health of companies in South Africa? Schoeman believes it's getting worse (backed up by feedback from her workshops and lectures). Moral and altruistic tendencies of companies are no longer trusted. Which is why in 2008, new provisions of the South African Companies Act were introduced stating that every state-owned, listed public company or any other company that scores a certain number of public interest points must establish a social and ethics committee by May 1, 2012. The committee must be fairly heavyweight in terms of the Act and requires the company to monitor efforts to reduce corruption and prevent unfair discrimination. Big Brother will be watching. One can't help but wonder who

'Think of ethical behaviour as a good farmer knowing that for long-term sustainability, he must leave land fallow for a period of time.'

will be watching Big Brother?

Big business also has a major influence on ethics. The vast revenues that many global corporations generate and control eclipse that of some national governments. 'These can easily exceed the GDP of smaller states. Zimbabwe, for example, is a fiscal minnow with a GDP of R45 318 million against Walmart with an annual revenue of R3 428 billion,' says Schoeman.

How do you change the ethical status of a company? According to Schoeman, it's imperative to conduct a survey with the company's stakeholders to assess the business's ethical status (and therefore sustainability). Schoeman uses a web-based survey, the Ethics Monitor, to measure a company's ethical status. 'It's a listening exercise, not a disciplinary exercise.' She says it identifies and prioritises areas of ethical strength and vulnerability, and succeeds in part because of its anonymity and confidentiality (no passwords or identification.)

Then comes the most difficult part for some organisations – getting past what may appear to be counter-intuitive. It's called 'sharing the bad news'. Schoeman believes that if the organisation is bold enough to share bad news, portray 'dignified humility' and take meaningful action to rebuild trust in the organisation, it will start to improve confidence and trust in the leadership.

Whether companies choose to apply the theory of the triple bottom line, adopt the principle of altruistic hedonism or succumb to external pressure, there's no doubt the rumblings are registering alarmingly on the ethical seismograph. The choice is to head for a higher moral ground, or face the inevitable wipe-out. □

Dr Dion Forster: 083 456 4855,
digitaldion@gmail.com

Cynthia Schoeman: 082 821 3729;
cynthia@ethicsmonitor.co.za